

*Corporate Store | New 20-Year Absolute NNN Sale-
Leaseback*

*130 Highway 61,
Villa Rica, GA. 30180*

Marcus & Millichap

REPRESENTATIVE PHOTO



OFFERING
MEMORANDUM

Krystal®

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*Krystal Sale-Leaseback | Corporate Guarantee
Villa Rica, GA
ACT ID : ZAC0310473*

*GA BROKER OF RECORD:
Michael Fasano
License: #352663*

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INVESTMENT HIGHLIGHTS

PRICE: \$2,013,146 | CAP: 5.15% | RENT: \$103,677

- *New 20-Year Absolute NNN Lease To Be Executed at Close of Escrow*
- *20-Year Absolute (NNN) Lease - Zero Landlord Responsibilities*
- *1.00% Annual Rent Escalations Starting in Year 6*
- *Tenant Renewal Options: Four (4), Five-Year Options*
- *Located on a Major Thoroughfare*

ABOUT THE BRAND

- *Krystal is the Southeast's longest-standing QSR chain*
- *A Simple, One-of-a-Kind Menu Anchored by the Original, Craveable "Krystal Burger"*
- *Krystal is the Southeast's longest-standing QSR chain that has been in business for over 89 years.*
- *Krystal has over 305 stores in 10 states with over 6,500+ employees and does over \$306 Million in sales volume.*
- *Krystal was recently acquired by Fortress Investment Group & Golden Child Holdings in May of 2020*
- *Fortress manages assets on behalf of approximately 1,800 institutional clients and private investors worldwide totaling approximately \$52.7 billion.*
- *Golden Child is an active investor and manager in the restaurant sector that has extensive turnaround experience.*

Investment Summary

Marcus & Millichap is pleased to present this exclusive listing of a freestanding Krystal Restaurant located at 130 GA-61, in Villa Rica, GA. The site constructed in 1996, most recently renovated in 2016, consists of 1,908 rentable square feet of building space and sits on an approximately 1.18 acre parcel of land. Krystal is subject to a brand new, 20-year Absolute NNN lease, the starting base rent shall be \$103,677 with 1.00% annual escalations starting in year six. There will be four five-year tenant renewal options with 1.00% annual rental increases in each of the Five-year option periods, extending the total possible lease term to 40 years. The subject property has displayed strong performance throughout its history in Villa Rica, as a result The Krystal Company (Corporate) will execute a new 20-Year Absolute NNN Lease at Close of Escrow.

A History Of Great Taste

Things have changed a lot in the last 87 years or so, but at Krystal, not so much. Even during the Great Depression, founders Rody Davenport Jr. and Glenn Sherrill believed that a good meal at a great price—served with a smile at a clean restaurant—would attract customers and keep them coming back. Krystal has proven them right ever since. Sure, we stick to the classics, but over the years, we’ve never been afraid to innovate, adding a breakfast menu, chicken sandwiches, hot dogs, milkshakes (and more) to our enduring selection of delicious, iconic, little square burgers.

Today, as we expand into new markets with new restaurant designs and our unique and tasty menu items, we still deliver a one-of-a-kind taste and experience—one we like to think would make Rody and Glenn proud.

General Information

Founded: 1932

Website: <https://krystal.com/>

Headquarters: Dunwoody, GA

Number of Locations: 305+



About the Krystal Company| A New Chapter

Things have changed a lot in the last 90 years or so, but at Krystal, not so much. Founders Rody Davenport Jr. and Glenn Sherrill believe that a good meal at a great price-served with a smile at a clean restaurant-would attract customers and keep them coming back. Krystal has proven them right ever since. Krystal sticks to the classics, but over the years, the Company has never been afraid to innovate, adding a breakfast menu, chicken sandwiches, hot dogs, milkshakes (and more) to the enduring selection of delicious, iconic, little square burgers.

As Krystal continues to evolve with new restaurant designs and unique and tasty menu items, the Company still delivers matchless taste and experience-one that Krystal likes to think would make Rody and Glenn proud. Though Krystal' nearly 90-year history, the Company has shown brand staying power and remains relevant to consumers as the 2nd oldest QSR brand in the country.

Starting a new chapter, Krystal was acquired by Fortress Investment Group and it's operating partner, Golden Child Holdings in May of 2020. Exploring a new territory while carrying a proven track record from operating over 74 Pizza Huts across New York, Massachusetts, Connecticut, Vermont, New Hampshire, and Maine; Golden Child Holdings has successfully driven sales forward and upward. Both Fortress and Golden Child have strong ties to Atlanta, the South and the Krystal Brand.

As a result of the recent growth of the Krystal Company, the influence of Golden Child Holdings, and the evolution of leadership within the organization; several franchisees and corporate are looking to expand for the first time in several years, providing a testament to the loyalty present throughout the Southeast to the traditional Krystal Brand.

Nation's
Restaurant News

2021 MOST INFLUENTIAL RESTAURANT EXECUTIVES IN THE COUNTRY



Thomas Stager
President of Krystal Restaurants LLC



VALUE THE TRUTH
ENJOY OUR WORK
MAKE INFORMED DECISIONS
BE ACCOUNTABLE TO OUR GUESTS
GROW AND SOLVE
FIND A WAY

Property Summary

THE OFFERING

Property	Krystal Sale-Leaseback
Property Address	130 Highway 61 Villa Rica, Georgia 30180
Price	\$2,013,146
Capitalization Rate	5.15%
Price/SF	\$1,055.11

PROPERTY DESCRIPTION

Year Built / Renovated	1996/2016
Gross Leasable Area	1,908 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	1.18 Acres

LEASE SUMMARY

Property Subtype	Net Leased Restaurant
Tenant	The Krystal Company
Rent Increases	1.00% Annual Escalations Starting in Year 6
Guarantor	Corporate Guarantee
Lease Type	Absolute Net
Lease Commencement	Close of Escrow
Initial Lease Term	20 Years From Close of Escrow
Renewable Options	Four Five-Year Options
Landlord Responsibility	None
Tenant Responsibility	All
Right of First Refusal/Offer	No

ANNUALIZED OPERATING INFORMATION

INCOME

Net Operating Income	\$103,677
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Year 1	\$103,677
Year 2	\$103,677
Year 3	\$103,677
Year 4	\$103,677
Year 5	\$103,677
Year 6	\$104,713
Year 7	\$105,760
Year 8	\$106,817
Year 9	\$107,885
Year 10	\$108,963
Year 11	\$110,052
Year 12	\$111,152
Year 13	\$112,263
Year 14	\$113,385
Year 15	\$114,518
Year 16	\$115,663
Year 17	\$116,819
Year 18	\$117,987
Year 19	\$119,166
Year 20	\$120,357

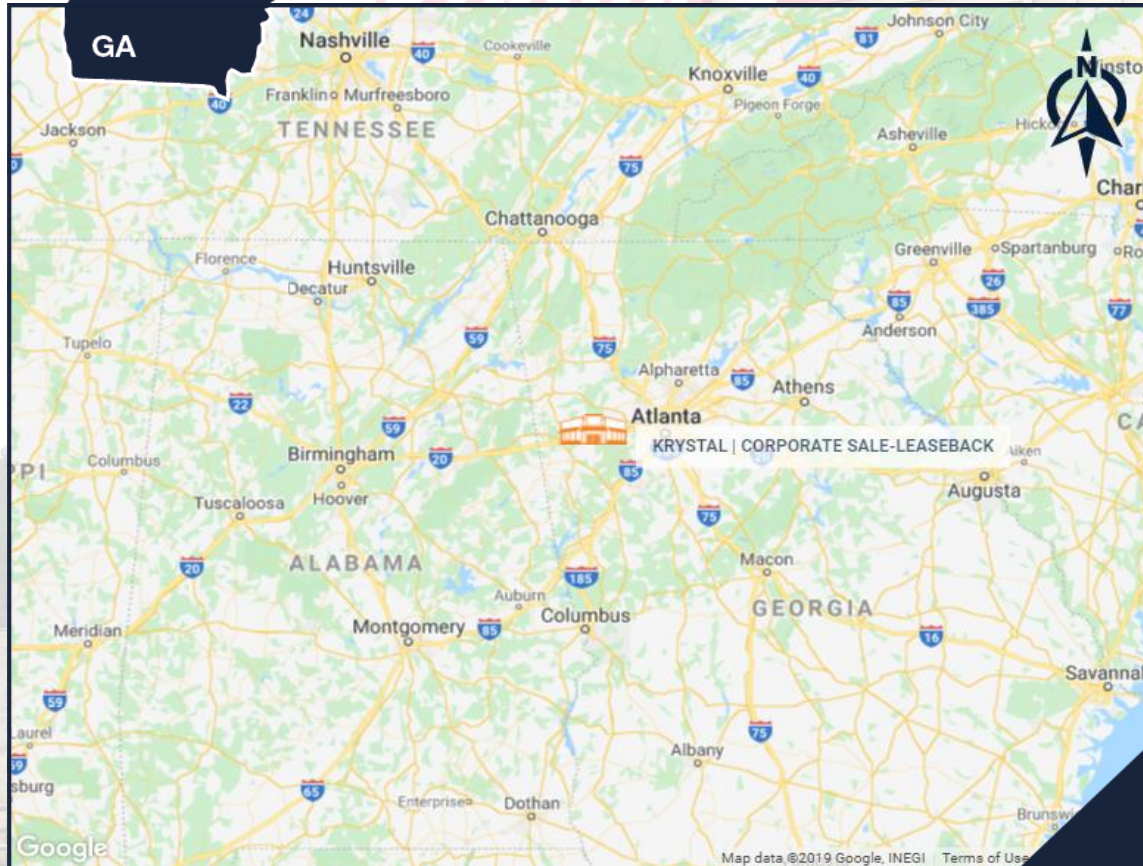


Property Photos



Regional Map

130 Highway 61, Villa Rica, GA 30180



- Located on 1.18 Acres of Land
- Proximity to Major Retailers
- Excellent Access and Visibility
- Strategic Location on Major Arterial Hwy
- Generational operator with stability
- Strong Residential, Industrial and Trade

Serving as a staple for the local community and tourists for over a decade, Krystal in Villa Rica, Georgia provides phenomenal service while engaging its consumers with traditional recipes that keep giving.

CLOSE PROXIMITY TO:



Downtown



Public Transportation



Major Highway



Hotel



Shopping Center

Aerial Map



Demographics

Created on May 2021

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	3,955	23,176	37,157
■ 2020 Estimate			
Total Population	3,861	22,449	35,941
■ 2010 Census			
Total Population	3,503	20,308	32,584
■ 2000 Census			
Total Population	2,151	9,702	18,492
■ Current Daytime Population			
2021 Estimate	4,209	19,610	39,300
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	1,580	8,262	13,135
■ 2020 Estimate			
Total Households	1,528	7,942	12,631
Average (Mean) Household Size	2.71	2.83	2.88
■ 2010 Census			
Total Households	1,410	7,250	11,533
■ 2000 Census			
Total Households	820	3,758	6,074
■ Occupied Units			
2023 Projection	1,804	8,030	15,611
2018 Estimate	1,674	7,285	14,008
HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$150,000 or More	2.20%	3.24%	4.12%
\$100,000 - \$149,000	7.00%	10.02%	11.67%
\$75,000 - \$99,999	11.39%	13.51%	14.60%
\$50,000 - \$74,999	18.87%	20.94%	22.68%
\$35,000 - \$49,999	16.87%	15.86%	14.99%
Under \$35,000	43.68%	36.43%	31.93%
Average Household Income	\$53,439	\$69,343	\$72,848
Median Household Income	\$43,294	\$57,469	\$60,475
Per Capita Income	\$21,167	\$24,539	\$25,607

HOUSEHOLDS BY EXPENDITURE	1 Miles	3 Miles	5 Miles
Total Average Household Retail Expenditure	\$58,148	\$65,665	\$69,817
■ Consumer Expenditure Top 10 Categories			
Housing	\$16,268	\$18,077	\$19,175
Transportation	\$12,577	\$14,195	\$15,043
Shelter	\$9,029	\$9,972	\$10,493
Food	\$5,700	\$6,235	\$6,598
Personal Insurance and Pensions	\$5,220	\$6,227	\$6,816
Utilities	\$4,029	\$4,409	\$4,641
Health Care	\$3,585	\$4,010	\$4,337
Entertainment	\$2,280	\$2,613	\$2,827
Household Furnishings and Equipment	\$1,576	\$1,875	\$2,095
Apparel	\$1,571	\$1,782	\$1,929
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2018 Estimate Total Population	4,157	18,895	36,849
Under 20	29.29%	30.62%	30.53%
20 to 34 Years	24.35%	21.55%	20.02%
35 to 39 Years	6.57%	7.06%	7.12%
40 to 49 Years	12.61%	13.50%	14.06%
50 to 64 Years	15.80%	16.29%	16.88%
Age 65+	11.38%	10.98%	11.40%
Median Age	32.58	33.50	34.61
■ Population 25+ by Education Level			
2018 Estimate Population Age 25+	2,628	11,852	23,280
Elementary (0-8)	4.66%	4.53%	4.01%
Some High School (9-11)	9.90%	10.78%	10.47%
High School Graduate (12)	30.39%	30.48%	32.05%
Some College (13-15)	31.83%	26.63%	25.72%
Associate Degree Only	6.74%	7.40%	7.24%
Bachelors Degree Only	10.44%	13.19%	13.08%
Graduate Degree	4.82%	6.96%	6.82%

About Villa Rica, GA

Located just 35 mile west of downtown Atlanta, Villa Rica is conveniently located just off Interstate 20. From where gold was discovered in the early 1800s to today's amazing finds, Villa Rica, Georgia is not a place to be missed.

The lure of gold attracted Americans to this area in the very earliest days of industrial gold mining. Pine Mountain Gold Museum and Scenic Railroad is Georgia's only gold museum that is located on an actual gold mine with gold and gem panning on-site. This beautiful 4,800 square-foot museum houses many exhibits of artifacts used to mine gold right here on Pine Mountain or in the hills surrounding Villa Rica. In addition to gold mining artifacts the museum contains regional artifacts. Some of these regional artifacts date back as far as 12,000 BC..



Outdoorsy types will strike it rich in Villa Rica with its many trails, parks and lake fishing. And everyone is invited to pack a picnic and bring a blanket to the MILL amphitheater for an evening of toe-tapping music by local and regional bands. Concerts, festivals, classic car and comedy shows, and numerous annual events are scheduled here year round. In downtown Villa Rica, the Mill Amphitheater puts visitors within easy walking distance of regional shopping and dining favorites

No matter what season you visit, you'll find lots to do. Summer brings festivals and music; in the fall, there's a bit of crispness in the air, and the leaves have just begun to turn; winter brings Christmas on Main, and spring is perfect for exploring the many trails in and around Villa Rica. If you head to the center of this Georgia town, you'll discover it's an intersection where art, culture, and history meet.



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

Krystal[®]

Marcus & Millichap

TAYLOR MCMINN

RETAIL GROUP

Dated:

Don McMinn
Marcus & Millichap
1100 Abernathy Road, NE, Suite 600
Atlanta, GA 30328

Phone: (678) 808-2762
Fax: (815) 550-1286
don.mcminn@marcusmillichap.com

Re: 130 Highway 61, Villa Rica, GA 30180 (Krystal)

Dear:

Please accept this offer to purchase the above referenced Property. This letter expresses Purchaser's interest in purchasing the Property under the following terms and conditions:

Purchaser _____

**Purchaser's
Address** _____

**Purchaser's
Phone/Fax** _____

**Purchaser's
Email Address** _____

Offer Price _____

Earnest Money \$25,000 earnest money deposit due within forty-eight (48) hours of the Effective Date of the Contract with an additional \$25,000 deposited at the expiration of the Inspection Period (\$50,000 Total). The Earnest Money shall become non-refundable barring any other listed contingencies at the expiration of the Inspection Period.

Inspection Period 21 Calendar Days from the Effective Date, which shall mean the date on which the latter of the parties executes a Contract. All available Due Diligence Documents ("Documents") will be forwarded immediately upon the Effective Date of the Contract.

Purchaser's Initials _____ Seller's Initials _____

Financing Period
(Please Check One)

☐ **All Cash** (No Financing Period)

☐ **Financing:** Purchaser shall have ten (10) days from the Effective Date of the Contract to apply for and obtain a financing commitment. In addition, Purchaser shall have 30 days from the effective date of the contract to complete loan processing. Purchaser shall use its best efforts to secure and obtain a new first mortgage loan in the amount of \$_____ on terms which are acceptable to Purchaser.

Closing Date
(Please Check One)

☐ **New Property:** Within 10 Calendar Days after rent commencement and receipt of tenant estoppel.

☐ **Existing Property** Within 10 Calendar Days after the expiration of the Inspection Period (or Financing Period if applicable).

Closing Costs

Seller shall pay for the transfer tax. Buyer shall pay for Title. Purchaser and Seller shall each bear its own attorneys expenses. All other Closing Costs shall be split 50-50 between Buyer and Seller.

Property Condition

Property is being sold "AS IS" with Seller making representations or warranties concerning the property.

**Contract within
10 days:**

Within Ten (10) Calendar Days of the Effective Date of this Letter of Intent, Purchaser and Seller shall enter into a binding Contract (the "Contract"). Seller will Draft the Contract and Failure to reach an agreement will allow the Seller to consider this agreement void and accept offers from other parties.

Broker Commission

Purchaser acknowledges that Purchaser has employed _____, ("Purchaser's Brokers") to represent them in this transaction. Any commissions due the Purchaser's broker (if applicable) shall be paid by the Seller directly.

1031 Exchange

Purchaser ☐ is / ☐ is not (check one) completing an IRS 1031 Tax Deferred Exchange, to which the Seller agrees to cooperate providing there is no cost or expense to Seller. Purchaser has \$_____ in an exchange account from a transaction which closed escrow on _____. Purchaser will provide Seller, upon request, proof of such funds.

Confidentiality

Purchaser and Purchaser's agents and representatives hereby covenant with Seller that Purchaser and Purchaser's agents and representatives shall not, without the prior written consent of Seller (which consent may be withheld in Seller's sole and absolute discretion), disclose to any other person (other than Purchaser's

Purchaser's Initials _____ Seller's Initials _____

accountants and attorneys) or entity by any means whatsoever: (i) any information pertaining to the Documents; (ii) any information pertaining to the Contract; or (iii) any information or documentation (written or oral) provided by Seller or Seller's agents and representatives concerning Seller, Seller's business, Tenant, Tenant's business or the Property.

This Letter of Intent is contingent upon the prospective Purchaser's willingness to execute Seller's standard Purchase Agreement as well as review and approval of the details of the transaction proposed above by the appropriate principal parties of the Seller.

It is understood and agreed that the foregoing constitutes a *Letter of Intent* setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this *Letter of Intent*. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing accurately reflects our discussions, please acknowledge same by returning a signed copy of this letter. Execution of this Letter of Intent by the undersigned agent in no way binds or obligates the Seller or any of its principals.

Agreed and Accepted | Purchaser

By: _____

Printed: _____

Dated: _____

Agreed and Accepted | Seller

By: _____

Printed: _____

Dated: _____

Purchaser's Initials _____ Seller's Initials _____